



State of Utah

Department of  
Natural Resources

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Division of  
Oil, Gas & Mining

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*Lieutenant Governor*

June 14, 2004

CERTIFIED RETURN RECEIPT  
7099 3400 0016 8896 0839

Mike Dalley  
Staker Parson Companies  
151 West Vine Street  
Murray, Utah 84107

Subject: Five-Year Review of Reclamation Surety Estimate, Staker Parson Companies, Lehi Quarry, M/049/031, Utah County, Utah

Dear Mr. Dalley:

Thank you for providing the requested information regarding the five-year review status of your Lehi Quarry, located in Utah County, Utah. The last surety estimate for this mine was \$387,900 in 2003 dollars. Upon review of the information furnished by Staker Parson Companies and a site visit to verify the site conditions, we find we only need to escalate the present bond for a five-year period. This is based upon the fact that mining at the site remains within the permitted and bonded area.

The surety for the Lehi Quarry escalated to the year 2009 is \$456,300. A Surety Estimate Update is attached for your use. Please provide the updated surety within 60 days or no later than August 13, 2004.

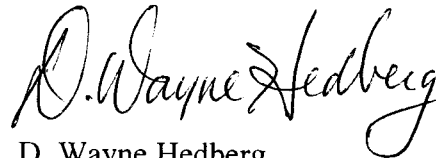
You may provide a rider to the existing surety and no other paperwork will be necessary. However, if you choose to post another form of surety, please contact Joelle Burns at (801) 538-5291 to obtain the current bonding forms or you may access the current forms on the internet at [www.nr.utah.gov](http://www.nr.utah.gov). If you post another form of surety, we will require that you also replace the Reclamation Contract, which is also located on the web. Please fax a "draft" copy of the documents so we can review them for completeness and accuracy before they are finalized.

If you are unable to provide the surety within this timeframe, please contact the Division with justification for requesting additional time. Thank you

Mike Dalley  
Page 2 of 2  
M/049/031  
June 14, 2004

for your help in keeping the surety current. If you have any questions concerning this letter, please contact Doug Jensen at (801) 538-5382.

Sincerely,

A handwritten signature in black ink that reads "D. Wayne Hedberg". The signature is written in a cursive style with a large, stylized "D" and "H".

D. Wayne Hedberg  
Permit Supervisor  
Minerals Regulatory Program

DWH:jb  
Attachment: Surety estimate update  
cc: Doug Jensen, DOGM  
O:\M049-Utah\m0490031-lehi\final\bondesc-06142004.doc

# SURETY ESTIMATE UPDATE

Staker Parson Companies

14-Jun-04

Lehi Quarry

M/-49/031

Utah County

Prepared by Utah Division of Oil, Gas & Mining

Last Update 11/18/1998

## DESCRIPTION:

- Previous reclamation surety estimate was \$387,900 in year 2003 dollars
- Reclamation Estimate base amount calculated in 1998-\$
- This update adjusts the surety amount for escalation only.

-Escalation factors through 2003 are actual Means Historical Cost Indices

-Total disturbed area = 145.6 ACRES

-Estimated disturbed area to be reclaimed 121.6 ACRES

CALCULATIONS	YR	ESCAL FACTOR	BOND AMOUNT
$F = P(1 + i)^{**n}$			
F = Future Sum	1996	0.0242	\$0
P = Present Sum	1997	0.0236	\$0
i = Escalation Factor	1998	0.0502	\$347,227
n = number of periods	1999	0.0191	\$353,859
	2000	0.0244	\$362,493
Three Yr Average = 2.89%	2001	0.0421	\$377,754
Used to Project 5 Yrs	2002	0.0202	\$385,385
From the Year 2003	2003	0.0155	\$391,358
	2004	0.0259	\$401,494
	2005	0.0259	\$411,893
	2006	0.0259	\$422,561
	2007	0.0259	\$433,506
	2008	0.0259	\$444,733
	2009	0.0259	\$456,252
Updated Surety Amount Rounded (2009-\$)			\$456,300

\*\* Average cost per acre = 3565 (\$/ACRE)